



State of Utah

DEPARTMENT OF ENVIRONMENTAL QUALITY DIVISION OF WATER QUALITY

Michael O. Leavitt
Governor

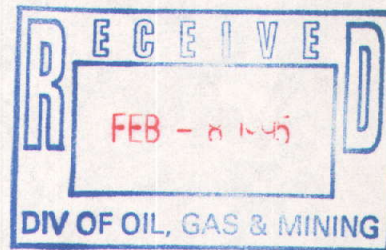
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DOGM
MINERALS PROGRAM
FILE COPY

February 6, 1995



Mr. James Smith, Manager
USMX of Utah, Inc.
P. O. Box 2650
St. George, Utah 84770

Re: Cyanide Noncompliance Issue, NOV and Order
DE 93-01, and Post Closure Monitoring, Ground
Water Permit No. UGW530001

Dear Mr. Smith:

Several issues are described below:

Cyanide noncompliance issue

This is a follow up to our correspondence of December 2, 1994 regarding the noncompliance issue related to the detection of cyanide in monitoring well MW-7. The concentration level of total cyanide was considered a noncompliance issue in our letters of April 23, 1993, December 2, 1993, September 12, 1994, etc. Recently adopted rules dated April 15, 1994 defined the water quality standard for cyanide to be 0.2 mg/l free cyanide as described in our December 2, 1994 letter. We agree the data you collected indicate that a redefined protection level for free cyanide for your downgradient wells would not have been exceeded. Also our samples collected October 19, 1994 did not detect total and free cyanide in wells MW-7, MW-9 and MW-10 (copies enclosed), indicating free cyanide has dissipated. Therefore, the noncompliance issue for cyanide in your monitoring wells is considered resolved, and a corrective action plan that we had requested will no longer be needed. Wells MW-7, MW-9 and MW-10 should now be sampled on the same quarterly schedule as the other downgradient wells. Although noncompliance is no longer an issue, the lingering presence of total cyanide at the detection level may require long term monitoring as described later.

NOV and Order DE93-01

We recently received the above report from Robert Wilson dated January 5, 1995, required by Item 4, NOV and Order DE 93-01. The report contains the results of surface soil and sediment samples from



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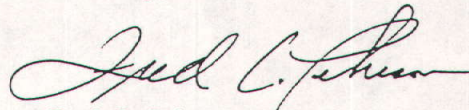
Arsenic Gulch downgradient the sediment pond. They were analyzed for cyanide and metals. The sediment was analyzed by Chemtec and the report prepared by JBR Consultants Group. The samples indicate there is no residual cyanide in the soils below the sediment pond. Therefore, we consider NOV and Order DE 93-01 fully resolved.

Post Closure Monitoring

On October 20, 1993 a water sample was collected from Arsenic Gulch during a period of low intermittent flow just above its confluence with East Fork of Beaver Dam Wash, above the road crossing. The sample contained total cyanide at the detection limit, (copy enclosed). Your latest monitoring report, dated January 11, 1995 showed the downgradient monitoring wells still contain total cyanide at the detection limit, but free cyanide was absent. Therefore, before we establish your post closure monitoring we would like two or three additional samples collected at this same site, before flow ceases during the coming summer months. The samples should be analyzed for total and free cyanide, and metals, and collected when there is no flow below the sediment pond, but flow at the road crossing. The sample is to represent ground water discharge. We want to determine if free cyanide has dissipated here as it has from the monitoring wells, and in the soils as described in your report.

Should you have questions call Mack Croft or Larry Mize at 538-6146.

Sincerely,



Fred C. Pehrson, P.E., Manager
Permits, Compliance & Monitoring Branch

Enclosure

FCP:MC:st/mhf

cc: JBR Consultants, w/encl.
Wayne Thomas, District Engineer, w/o encl.
Southwest District Health Department, w/o encl.
DOGM, w/o encl.
Division of Wildlife Resources, w/o encl..

P:USMX2.LTR
FILE: USMX